

City of Coral Gables City Commission Meeting
Agenda Item G-8
May 23, 2023
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Vince Lago

Vice Mayor Rhonda Anderson

Commissioner Melissa Castro

Commissioner Ariel Fernandez

Commissioner Kirk Menendez

City Staff

City Attorney, Cristina Suárez

City Manager, Peter Iglesias

City Clerk, Billy Urquia

Asset Manager, Zeida Sardinias

Public Speaker(s)

Jenny Krawec

Agenda Item G-8 [11:54 a.m.]

Discussion regarding Le Parc Cafe contract negotiations. (Sponsored by Vice Mayor Anderson) (Sponsored by Commissioner Menendez) (Sponsored by Commissioner Castro) (Sponsored by Commissioner Fernandez)

Mayor Lago: I'd like to move onto the next item, G-8, Le Parc. We have these individuals here. I'd like to see if we can do this as brief as possible, because we have another item that was time certain at 11:30, and I know they're here, so I want to make sure we take care of them. This should be very brief, should be very brief. You have four items that are sponsors of this item, so who would like to take the lead?

Commissioner Castro: What number is it?

Mayor Lago: G-8.

City Commission Meeting
May 23, 2023

Vice Mayor Anderson: I asked that it be put on for staff to come back. You have something additional.

Commissioner Menendez: I'm just going to add that, you know, I think the administration met with each one of us, and I think there's been progress in finding a long-term solution for the current operators and we'd like to get an update as to the status of Le Parc.

City Manager Iglesias: Mayor, may I respond?

Mayor Lago: Yes.

City Manager Iglesias: I believe we have met with the entire Commission. We are working on certain initiatives that I found were fine with the majority and we will be coming back once that contract is completed, based on our individual discussions.

Mayor Lago: So, I want to be very clear. I support Le Parc. I think it's wonderful. I think they are doing great things. We've got to be very careful. I know that we want to be nice to every single person, but we're running a business here. This is a business. They are running a business. This is a business. I want to give you just some quick facts to put this on the record. Ortanique owed the city hundreds of thousands of dollars. The Coral Gables Country Club, millions in deferred maintenance and was not doing the right thing by the city in regard to our payments. Burger Bob's was being charged \$1,000 a month, okay. They were not accepting credit cards. We have to be accountable. We are the stewards of the public dollar. We have to be accountable; people have to be charged market rate. There are no favors here and we need to do what's in the best interest of the city. It's a great family. They are doing great things, but at least under my watch, I don't want people to say, hey listen, we gave somebody a sweetheart deal and at the end of the day, we locked the city in for 5-10 years. We have to be very, very careful. I am in favor. I support the family. I want them to be there. The product is great, we enjoy everything, but we need to be very careful and very methodical, because today we're talking about Le Parc, and we are going to do Burger Bob's. They are going to be watching very astutely to see the deal that we give Burger Bob's, excuse me, that we give to Le Parc, okay.

Commissioner Menendez: Through the chair.

Mayor Lago: Yes sir.

Commissioner Menendez: I guess the city learned its lesson; we all learn lessons based on past experiences. The type of agreement, the type of agreement, being proposed for Le Parc or that they currently have, and the type of agreement that's being proposed for the diner, formerly Burger Bob's, it's a different contractual arrangement than the types we had, right, in the past. In the past, they basically had ownership of everything. Here it's more or less a partnership, we're sharing revenues, that's important. We need to clear that up.

*City Commission Meeting
May 23, 2023*

Asset Manager Sardinas: Good morning, Mayor, Commissioners, Zeida Sardinas, Asset Manager. Yes, we have used now both for the Le Parc agreement and the proposal that we received from Ms. Tenison contemplates concessionaire agreements which is what the City Attorney, what we did for the Le Parc agreement in August of last year, that started in August of last year.

Commissioner Menendez: Will we retain more control over inspections and things that go on there? We're basically, we retain much greater oversight.

Asset Manager Sardinas: Where the equipment is ours, where everything remains under our overview and where the operator, basically, buys the food, makes the food, serves the food.

City Manager Iglesias: Mayor, in these two deals, the tenant has no tenant improvements, there is not an investment there, and in my view, business deals have to be good for the city and good for the tenant. It has to work in both directions, not necessarily just in one. In order for that deal to succeed. Yes, as the Asset Manager just said, in these two particular deals there is minimal investment by each potential tenant, and TI, tenant improvements which are a big issue in other of our rentals, does not apply here. So, I do believe that...

Mayor Lago: That's important because I've done a lot of leases and commercial leases, you know the TI plays a big factor in how much rent you charge, because the more TI you give, the less rent you charge over the life of that lease. So that's the way that these deals are structured. I want to work with them, they're great. We need to make sure that at the end of the day we're not signing these long-term leases where we buy all the machinery, we did all the TI, we're handling all the credit card payments, all the water, electricity, cleaning, there's a litany of things that we're handling that a trip on that lease, they would be handling, they would be handling, including the insurance, including electricity, water, all those things that we're handling. So, we've got to be very flexible. It's got to work for both parties, but we need to be very thoughtful, because if we get into a long-term deal, it's very hard to get out of these deals, very hard.

City Manager Iglesias: And you're very correct Mayor. Ortanique is a tenant improvement of \$1.3 to \$1.4 million, Senior Martinez is \$1.5 to \$1.8 million. These two cases are almost negligible.

Mayor Lago: I'm asking you please, with my colleagues on the Commission, I was the only one who didn't sponsor this, please come back to us. I would like for you to sit down with them, finalize a deal, and bring me back an example of a similar deal that works for other communities, so that we can feel comfortable, they can feel comfortable, and maybe the deal can grow and have a sliding scale as they perform more, we can figure something out that benefits both parties.

Asset Manager Sardinas: Yes Mayor. We've taken into consideration the meetings that we had with you and all of your input, and we're working on that and the City Attorney and I are going to be drafting the term sheet and everything else and sharing it with their attorney, so that we can go ahead and draft an agreement that is agreeable and that will come back to you for your review.

*City Commission Meeting
May 23, 2023*

Mayor Lago: Yes ma'am.

Commissioner Castro: I really love, I've always had a pleasant experience when I go to Le Parc. To me, what's important is that the agreed language on the contract is clear to both parties and enforced by both parties. The consequences should be stated and agreed to in a very clear manner, so that you know what to expect and if you are not hitting those benchmarks or milestones, or goals, then you can start prepping to what's going to happen next, and also the city would probably need time to – but then again, this is something that both of you would have to agree to.

Asset Manager Sardinas: Yes.

Mayor Lago: Anything else? Alright. Mr. Clerk, are there any comments? I know that we were going to hit discussion, comments on public comment, but we never hit it, not yet that's the next thing we're going to do when we come back. Anything else we need to talk about? – no public comment?

City Clerk Urquia: We did have members of the public requesting to speak, but because you had said that you weren't...

Mayor Lago: I understand, but we're trying to get certain things done. I'm giving a little flexibility. Is everybody happy or you want to say something on the record? Okay, go ahead. Did you fill out – talk first and then you can fill it out. Thank you.

Ms. Krawec: Hi, my name is Jenny.

Mayor Lago: Your name and address.

Ms. Krawec: Jenny Krawec, I live in Little Gables, 4465 SW 13 Terrace. I don't know city government, I don't know business, but I am a community member on the outskirts, and I was there when Liberty Café was there, and then I was there when it was gone, and I think the building is such a part of the community and we felt a void when there was nothing there, and I think community is built over time and its taken Le Parc some time to build that, as I'm sure it did Liberty Café when it was there. And so, as a community member, seeing Liberty Café then vacant, then Le Parc built this beautiful community where you go for a workout and then sit outside or for lunch, or for a meeting, the thought of that happening again and there needing to be another rebuild, I think its worth considering the community aspect and how much citizens and those on the outskirts invest in that.

Mayor Lago: Thank you for being here. I appreciate it.

Commissioner Menendez: Mayor.

Mayor Lago: Yes sir.

*City Commission Meeting
May 23, 2023*

Commissioner Menendez: Just a comment on her comment. The family that's running Le Parc, the way I look at it, they built that restaurant, the café on scorched earth, because after the aftermath of the amazing battles that we had with the prior group with the Country Club, with Burger Bob's closing down, with the challenges with the pool at the Country Club through inspections and the state, and everything that we had to go through, they were the only show in town, that part of town. And indeed, there's been folks that perhaps vowed that they would never return, and they are returning back to that café, because of the service and food. And the other day, I actually wrote it on my phone – two couples sitting having brunch and the gentleman asked one of the servers to come over, he goes, I want you to know this, the service and food here are out of this world. So, I wrote it down just to be ready for today's meeting, but I'm looking forward to even better things for the community, Le Parc, and our city.

Mayor Lago: Perfect. Thank you, Commissioner. Mr. Clerk, I think directions have been given by the Commission to staff, through the Manager, and we look forward to having a resolution with Le Parc and having that brought before the Manager for action.